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SUBJECT: DESPITE LISBON TREATY, BILATERAL RELATIONSHIPS
WITH EU MEMBER STATES WILL REMAIN CENTRAL WITH CHINA

Classified By: Political Minister Counselor Aubrey Carlson. Reasons 1.
4 (b) and (d).

¶1. (C) Summary: Though uncertainty exists on how EU-PRC relations might change in the wake of the recent ratification of the Lisbon Treaty, the PRC hopes to "consolidate strategic trust" in the relationship, according to an MFA official. PRC and EU contacts alike concur that while EU-PRC relations will become more prominent, PRC bilateral relations with EU member states will continue to take precedence. A UK diplomat suggested that the EU can now pursue foreign policy on a "grander scale" in terms of policy content and institutional engagement. While one PRC scholar praised the choice of Belgian Prime Minister Herman Van Rompuy for EU president because of his consensus-building skills, another warned against the EU using its greater institutional heft to "interfere" in PRC sovereignty and human rights issues. Differences among EU members states on such issues as the lifting the EU arms embargo and granting the PRC market economy status will likely surface under the new EU dispensation, according to a Spanish diplomat. End summary.

Bilateral Relations are Primary

¶2. (C) MFA European Affairs Department European Union Division Deputy Director Fu Wenyan told EmbOffs December 8 that the ratification of the Lisbon Treaty was a very important development and the EU would now have more engagement with the PRC. China wanted to consolidate the strategic trust in the relationship and move forward in the strategic partnership, she said. Separately concurring, Ministry of State Security-affiliated China Institutes of Contemporary International Relations (CICIR) European Studies Institute Director Feng Zhongping told PolOff December 17 that the ratification of the Lisbon Treaty had created high expectations in the PRC for the future of the EU, but it was premature to predict the extent of change in EU-PRC relations. The PRC would now have "two important relationships" (i.e., with the EU and with each member state), but because each member state determined its foreign policy, bilateral relations would remain the central relationship with China, he said.

No Disappointment over Van Rompuy

¶3. (C) Feng dismissed reports of disappointment among ordinary Europeans over the choice of Belgian Prime Minister Herman Van Rompuy for the European presidency. He said the EU wanted an "acceptable" leader who could achieve consensus. Due to the Belgian PM's positive record of governing the culturally fractious nation of Belgium, and his reputation for amicability among all political stripes, he was the

perfect choice for this role. Furthermore, Feng added, in the eyes of China, "the strongest leader is the one who best reaches consensus." While the PRC needed to recognize this new development in the EU, China would still focus on the "big powers" among the member states such as Germany and France when addressing EU issues, he said. In the last 10 years, Feng claimed, enthusiasm had decreased significantly among the European public for the EU. Europeans did not perceive the utility of the institution, and too much uncertainty existed over the roles of its central leadership in the EU's various institutions. This was an uncertainty shared by the PRC, and the PRC "does not like uncertainty in its relationships," he said.

Post-Lisbon EU to "Interfere" More in PRC Affairs?

14. (C) While bilateral relations would not diminish at all, the PRC would increasingly deal with the EU, MFA-affiliated China Institute of International Studies (CIIS) European Union Studies Department Deputy Director Li Weiwei told PolOff December 18. The "conduct of the EU" would largely determine the course of EU-PRC relations, Li said. The PRC was concerned that the EU might now step up "interference" on PRC sovereignty or human rights issues. The PRC needed better assurance that the EU understood and appreciated China's views on human rights, even when disagreement existed, she said. Furthermore, the EU, in pursuing its own economic interests, had to take into account China's economic development needs, "because the Chinese want a good life, too."

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EAS Will Make the EU Role Clearer, but Risks Endure

15. (C) Though a larger delegation representing the entire EU would supersede the work currently carried out by the EU Commission, PRC-EU relations would likely change little, EU Delegation First Secretary Filip Grzegorzewski told PolOff December 9. The External Action Service (EAS) established under the Lisbon Treaty would now serve as the focus for foreign policy coordination and implementation, whereas previously, EU foreign policy coordination was divided between the EU Commission and rotating presidency, he said. Grzegorzewski noted that under the Lisbon Treaty, bilateral relations could be circumscribed by the need to conform to EU consensus (which would supersede an individual member state's foreign policy position), a point also noted by Belgian Embassy Deputy Chief of Mission Didier Vanderhasselt, who told PolOff December 14 that if the new EU structures were implemented as planned, the work of EU member state bilateral missions would gradually diminish. Vanderhasselt noted, however, that as the EAS began to define its scope of work and composition, it ran the risk of alienating small member states that felt pressured to conform to the positions of larger states, and who would therefore not view the EAS as "their own". In addition, the composition of EU delegations abroad would differ from country to country depending on issues involved, but for the moment there was no sign as to what the EU policy on China would be, he said. Right now, the EU had to "master the process," said Vanderhasselt.

As China Gets Stronger, the EU Can Engage More Effectively

16. (C) The EU could now pursue foreign policy on a grander scale in terms of policy content and institutional engagement, British Embassy First Secretary Gareth Ward told PolOff January 5, because the new EU leadership had a more "credible" mandate and established position. The EU would now need to better articulate its position on the PRC, especially after the tension over the last couple of years. The Chinese had been frustrated with the EU, when, for example, counter to PRC expectations, French President

Nicolas Sarkozy had met the Dalai Lama in December 2008. The PRC perceived unfairness in EU media coverage and EU positions regarding human rights in China, and harbored resentment over anti-PRC incidents during the Olympic torch relays, Ward explained.

¶7. (C) From the EU perspective, the PRC did not engage on the strategic partnership. The latest rounds of the EU-PRC Human Rights Dialogue had not been constructive, and many in the EU felt China was becoming more hardline on issues, leading to consideration among some member states of "reciprocal engagement" with China on controversial issues. The UK, in contrast, supported "constructive engagement" and was concerned "reciprocal engagement" might create more problems than it solved. From the EU point of view, Ward suggested, four issues were of top priority: trade and investment with better market access, climate change, global security, and human rights. EAS High Representative for Foreign Affairs and Security Policy Catherine Ashton would be able to engage consistently over time on these issues, which would represent an improvement over current EU-PRC negotiations on these issues, Ward said.

¶8. (C) Bilateral relations would retain their importance in addressing issues between the PRC and EU member states, but countries such as the UK would also work with the EU to maximize influence, Ward said. Member nations' political leadership would also influence whether a country stressed its bilateral or EU member state relations with China. Should the Conservatives win the 2010 election in UK, he speculated, more emphasis would be placed on the bilateral relationship. The EU did not possess the negotiating tools of its individual member states, but instead derived its strength from "values," and the PRC was not used to dealing with this construct, Ward said. The PRC did not want to deal with the EU because it preferred to play one country against another within Europe to achieve its objectives (for example, Spain, which is more accommodating to China on Taiwan and the Dalai Lama), he explained.

Rotating Presidency Lives On, But Things Will Change

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¶9. (C) At the New Year, Spain had assumed the rotating presidency of the EU, but now Spain had to negotiate with EAS High Representative Catherine Ashton on issues of foreign policy, Spanish Embassy Political Counsellor Carmen Cano told PolOff January 13. Key differences now were that prior to the Lisbon Treaty, demarches involved the rotating presidency, but now only the EU delegation would deliver them, she said. The rotating presidency would stay, but a new entity called the "trio" would be established to add continuity to issues being addressed and to avoid one country pushing for topics specific to its region. The trio would be composed of the current rotating presidency and the two that would follow (in this case, Spain, Belgium and Hungary), she explained. Until the transition was settled, Spain would take the lead representing the EU, and the next EU summit would take place in Spain, though that would change for good once the transition was complete, with subsequent summits taking place either in Brussels or the third country, Cano said. The Lisbon Treaty allowed the EAS High Representative more flexibility and could bring up non-controversial issues on behalf of the EU without prior consultation with member states, where before that was not the case, she said.

Spain's Influence May Lead to Addressing Controversial Issues

¶10. (C) Noting that Spain maintained a closer bilateral relationship with China than other EU member states, Spanish Embassy Political Counselor Carmen Cano told PolOff January 13 that disagreements within the EU over the PRC might now be brought to the surface. In contrast to other EU leaders,

Spanish Prime Minister Jose Zapatero hoped to speed up work on the Partnership and Cooperation Agreement with the PRC and to address issues of PRC concern, including the EU arms embargo and market economy status, she said. Cano suggested that even if the arms embargo were to be lifted, concerns over possible renewed arms trade with China could be addressed through the EU Common Position, which prohibited arms exports to any country with significant human rights issues. Lifting the embargo, however, would take that issue "off the table" for the Chinese. She added, however, that the symbolism of lifting the arms embargo was too controversial within the EU and its chances "are very remote."

HUNTSMAN